

EX PARTE OR LATE FILED

original

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of)

Implementation of Section 309(j)
of the Communications Act)
Competitive Bidding Treatment of)
Designated Entities)

Gen Docket No. 90-314 JUN 22 1994

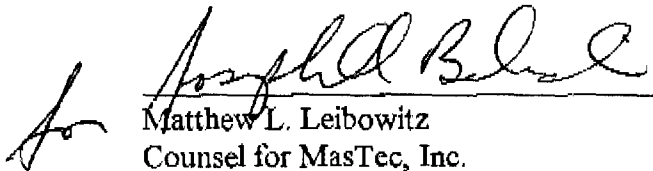
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

To: The Secretary

EX PARTE PRESENTATION

MasTec, Inc. submits an original plus one copy of this memo and attached letter (hand-delivered ex-parte to Robert M. Pepper for inclusion in the record of the above-referenced rule making proceeding.

Respectfully submitted,


Matthew L. Leibowitz
Counsel for MasTec, Inc.

June 22, 1994

Leibowitz and Associates
One S.E. Third Avenue
Suite 1450
Miami, FL 33131
(305) 530-1322

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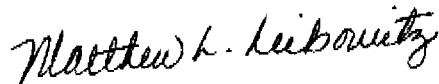
June 22, 1994

Mr. Robert M. Pepper
Chief, Office of Plans & Policy
Federal Communications Commission
1919 M. Street, NW Room 822
Washington, DC 20554

Dear Bob:

Enclosed please find copies of recent correspondence from our office to the various Commissioners with regard to Personal Communications Services.

Sincerely yours,



Matthew L. Leibowitz

MLL/mdr

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June 21, 1994

Via Overnight Delivery

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, NW Room 814
Washington, DC 20554

Re: PP Docket No. 93-253
Gen Docket No. 90-314
RM-7140, RM-7175, RM-7618

Dear Chairman Hundt:

I would like to follow up on our conversations concerning the proposed participation of Designated Entities, including minorities, in PCS.

It is my understanding that the Commission's staff has under consideration the creation of a separate frequency block for new entities with maximum gross revenues of \$100,000,000. As we discussed, I believe that sole reliance on a gross revenue test will improperly exclude otherwise qualified minorities from participating in PCS as mandated by Congress. Specifically, although my client, MasTec, Inc. has annualized revenues of \$178,126,000, it only had a net income of \$525,000 in 1993. I would respectfully suggest that the FCC consider an alternative test to determine eligibility for this frequency block using a net worth test of \$50,000,000. As of March 31, 1994, MasTec's net worth was approximately \$45,460,000.

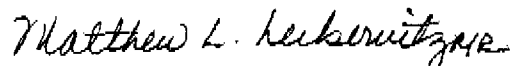
I would also like to direct your attention to paragraph 120 of the Commission's Opinion and Order, released on June 13, 1994. In this paragraph the Commission, contrary to past precedent, extends the interests of an entity in control of a license to officers and directors of that entity. I am greatly concerned that this new provision will inadvertently injure minorities and women in competing

in PCS. As you are aware, while minorities and women might not hold any significant ownership interests in many telecommunications entities, minorities and women have been appointed as officers and directors of many companies. As a result they have gained significant experience in managing these companies. These people should not be penalized in the upcoming PCS licensing for serving in these capacities. Thus, at least for minorities and women, I would urge the Commission not to extend the attribution rules to officers and directors.

Finally, we have heard rumor that the Commission may retreat from its earlier decision to require Designated Entities to own and control 50.1% of a PCS license. Specifically, some have suggested that Designated Entities need only maintain a 20% economic interest in the licensee. We respectfully urge you to reject this proposal. It is our belief that Designated Entities will have sufficient financing available through joint ventures on a 50.1% - 49.9% basis and that it is contrary to the interests of Designated Entities to reduce this threshold of economic ownership and benefits.

Thank you for your consideration of these issues.

Sincerely yours,

A handwritten signature in cursive script that reads "Matthew L. Leibowitz".

Matthew L. Leibowitz
Counsel for MasTec, Inc.

MLL/mdl

cc: Karen Brinkmann, Special Assistant
Blair Levin, Chief of Staff
Robert M. Pepper, Chief, Office of Plans and Policy
Donald H. Gips, Deputy Chief, Office of Plans and Policy
William E. Kennard, General Counsel

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WASHINGTON, D.C. 20037

May 27, 1994

Via Facsimile (202) 632-0163

The Honorable James H. Quello
Commissioner
Federal Communications Commission
1919 M Street, NW Room 802
Washington, DC 20554

Re: Personal Communications Services

Dear Commissioner Quello:

On Tuesday, May 31, 1994, I am meeting with Commissioner Ness and Commissioner Chong to discuss minorities' and women's participation in PCS. In addition, I have a meeting on Wednesday, June 1st, at 8:00 a.m. with Rudy Baca of your Office. If at all possible, I would like to meet with you on Tuesday or early Wednesday morning to express our concerns about recent reports that the FCC may not adopt critical mechanisms which are necessary to implement the statutory requirement of Section 309 (j)(4)(D) of the Communications Act.

We believe PCS will create an historic and unique opportunity to expand the ownership and control of our telecommunications industry to include minorities and women. However, in order for minorities and women to play a meaningful role in PCS, and to raise the requisite capital to compete in the PCS marketplace, the Federal Communications Commission must implement a multi-level flexible approach including a 30 MHz set-aside on the MTA basis, installment payments and tax certificates.

I am attaching to this letter a generic financial cost analysis of constructing a PCS for Miami. Please note that this cost analysis does not include the price of the acquisition of

The Honorable James H. Quello
May 27, 1994
Page 2

the frequencies through the auction process or any operating costs. While the analysis was done for the Miami MTA and inclusive BTAs, we believe it is a fair generic representation of most major markets around the country. As you will note, the analysis includes the following variables: a 30 MHz system, a 20 MHz system and a 10 MHz system. In addition thereto, each frequency block is then divided into the Miami MTA and the major BTAs that are included with the MTA (but not all of the BTAs).

The significant conclusion that can be drawn from this analysis is that the cost of construction alone even for the smallest alternative, i.e., a 10 MHz block on the Miami BTA basis, is in excess of \$33,000,000. I think it is fair to state that this will exceed the financial capacity of any Designated Entity that is interested in pursuing participation of PCS in Miami. While it is true that the cost for the smaller BTAs are significantly less, such as a system in Fort Pierce which would only cost a little over \$3,000,000, but when viewed on a potential subscriber basis as a stand alone operation, this is simply an invitation for economic disaster. Thus, one must fairly conclude that the operating assumption by some Designated Entities that they want the FCC to establish the smallest possible set-aside to ensure their ability to independently own and operate a PCS system is simply not economically feasible. Furthermore, I believe that any PCS system without at least approximately 30 MHz of spectrum will be difficult to finance.

I would also like to advise you that in light of the recent concerns that have been expressed by the FCC staff on the constitutionality of set-asides, we are in the process of preparing an updated constitutional legal Memorandum discussing the constitutionality of set-asides. This Memorandum is being prepared by Arthur England who is the former Chief Justice of the Florida Supreme Court. A copy of the Memorandum will be forwarded to you within the next few days.

In this context, it is critical that the FCC focus on the evaluation of whether or not any bidding credit is economically the functional equivalent of a set-aside. We strongly believe that the answer is no. This belief is supported by the fact that it is overwhelmingly likely that the major telecommunications entities in this country, including MCI, Sprint, and the various Bell operating companies, will overbid the value of the frequencies due to their own strategic needs. Thus, just as we saw in the Paramount acquisition, the real market value and the ultimate acquisition cost will vary significantly. While it is

The Honorable James H. Quello
May 27, 1994
Page 3

true that Paramount represented the last major studio available, it is also true that neither Mr. Diller nor Viacom required Paramount for economical survival. This is not the case when it comes to PCS. Most Bell operating companies and long distance carriers view PCS as critical to their economic survival. Thus, not only will they overbid the fair market value, as was the case in Paramount, but I think it is safe to say that when it comes to survival they will bet the ranch, if necessary. Accordingly, it is simply impossible to, at this stage, estimate what a necessary bidding credit will be in order to overcome the anticipated economic survival overbidding. Thus, bidding credits are simply not the functional equivalent of set-asides. As a result, bidding credits cannot fulfill the Congressional mandate to ensure that Designated Entities participate in PCS.

I will call your office on Tuesday morning to see if a meeting is possible.

Pursuant to FCC rules and regulations, I will file with the Office of the Secretary an appropriate Ex Parte Memorandum of this letter.

Sincerely yours,



Matthew L. Leibowitz
Counsel for MasTec, Inc.

MLL/mdr

Enclosure

cc: Rudolfo M. Baca, Esq., Legal Advisor
Jorge Mas Canosa, MasTec, Inc.

MTA vs BTA Costs						
CDMA						
30MHz						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17550000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3		75000				
Year 4						
Year 5	6825000	4650000	225000	525000	75000	1350000
Year 6	4875000	2700000	150000	150000	525000	1350000
Year 7	2775000	1725000	300000	75000	150000	525000
Year 8	4200000	2625000	300000	375000	75000	825000
Year 9	4050000	2625000	225000	450000	75000	675000
Year 10	4200000	2475000	150000	225000	300000	1050000
Eq Total	\$65,975,000	\$38,425,000	\$5,150,000	\$3,875,000	\$4,300,000	\$14,200,000
Site Const	9675000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	186500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
Engineering	2580000	1462000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,085,500	\$1,583,000	\$4,442,000
Total Cost	\$86,980,500	\$50,246,250	\$7,122,000	\$4,960,500	\$5,883,000	\$18,642,000
Operational costs are not included in the above numbers						
The above data was obtained from a report "PCS Market Demand and System Engineering"						
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Economic and Management Consultants International, Inc. (EMCI)						

	MTA vs BTA Costs					
	CDMA					
	20MHz					
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17350000	9450000	1800000	675000	1500000	3825000
Year 2						
Year 3						
Year 4						
Year 5	1200000	1050000	75000			75000
Year 6	1725000	1200000		150000	75000	300000
Year 7	1950000	120000	150000	75000		525000
Year 8	2550000	1650000		375000	75000	450000
Year 9	2775000	1575000	75000		225000	900000
Year 10	1875000	1050000	75000	75000	225000	450000
Eq Total	\$51,125,000	\$28,195,000	\$4,175,000	\$2,750,000	\$3,700,000	\$11,125,000
Site Const	9675000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
Engineering	2580000	1452000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,086,500	\$1,583,000	\$4,442,000
Total Cost	\$72,130,500	\$40,016,250	\$6,147,000	\$3,836,500	\$5,283,000	\$15,567,000
Operational costs are not included in the above numbers						
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MTA vs BTA Costs						
CDMA						
10MHz						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	18	48
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	16125000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3						
Year 4						
Year 5						
Year 6						
Year 7						
Year 8						
Year 9						
Year 10						
Eq Total	\$37,625,000	\$21,560,000	\$3,800,000	\$2,075,000	\$3,100,000	\$8,425,000
Site Const	9675000	5445000	900000	485000	720000	2070000
Towers	2840500	1703000	230750	123500	185500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
Engineering	2580000	1452000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,085,500	\$1,583,000	\$4,442,000
Total Cost	\$58,630,500	\$33,371,250	\$5,772,000	\$3,160,500	\$4,683,000	\$12,867,000
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MTA vs BTA Costs						
CDMA						
Subscriber Assumptions						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
	30 MHz	20 MHz	20 MHz	20 MHz	20 MHz	20 MHz
		10 MHz	10 MHz	10 MHz	10 MHz	10 MHz
Year 1	4307	1434	147	99	39	433
		598	61	41	16	161
Year 2	10231	3378	358	241	95	1043
		1407	149	101	40	435
Year 3	34303	11225	1230	826	329	3541
		4677	512	344	137	1475
Year 4	69612	22575	2555	1712	688	7275
		9406	1066	714	287	3031
Year 5	126190	40550	4741	3170	1284	13350
		16896	1975	1321	535	5562
Year 6	183460	58405	7054	4705	1922	19643
		24335	2939	1961	801	8166
Year 7	213659	67375	8408	5584	2303	23150
		28073	3503	2331	960	9646
Year 8	240346	75059	9678	6423	2665	26348
		31275	4032	2676	1111	10978
Year 9	264391	81757	10892	7211	3016	29319
		34066	4538	3005	1257	12216
Year 10	290235	88852	12232	8077	3405	32552
		37022	5097	3365	1419	13563
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1255 23RD STREET, N.W.
WASHINGTON, D.C. 20037

May 27, 1994

Via Facsimile (202) 632-5168

The Honorable Andrew C. Barrett
Commissioner
Federal Communications Commission
1919 M Street, NW Room 826
Washington, DC 20554

Re: Personal Communications Services

Dear Commissioner Barrett:

I am writing you on behalf of my client, Jorge Mas Canosa, a prospective applicant for the new Personal Communications Services (PCS). On Tuesday, May 31, 1994, we are meeting with Commissioner Ness and Commissioner Chong to discuss minorities' and women's participation in PCS. If at all possible, we would like to meet with you to express our concerns about recent reports that the FCC may not adopt critical mechanisms which are necessary to implement the statutory requirement of Section 309 (j)(4)(D) of the Communications Act.

We believe PCS will create an historic and unique opportunity to expand the ownership and control of our telecommunications industry to include minorities and women. However, in order for minorities and women to play a meaningful role in PCS, and to raise the requisite capital to compete in the PCS marketplace, the Federal Communications Commission must implement a multi-level flexible approach including a 30 MHz set-aside on the MTA basis, installment payments and tax certificates.

I am forwarding you by this letter a generic financial cost analysis of constructing a PCS for Miami. Please note that this cost analysis does not include the price of the acquisition of the frequencies through the auction process of any operating costs. While the analysis was done for the Miami MTA and inclusive BTAs, we believe it is a fair generic representation of most major markets around the country. As you will note, the analysis includes the following variables: a 30 MHz system, 20 MHz systems and 10 MHz systems. In addition thereto, each frequency

The Honorable Andrew C. Barrett
May 27, 1994
Page Two

(but not all of the BTAs).

The significant conclusion that can be drawn from this analysis is that the cost of construction alone even for the smallest alternative, i.e., a 10 MHz block on the Miami BTA basis is in excess of \$33,000,000. I think it is fair to state that this will exceed the financial capacity of any Designated Entity that is interested in pursuing participation of PCS in Miami. While it is true that the cost for the smaller BTAs are significantly less, such a system in Fort Pierce which would only cost a little over \$3,000,000, when viewed on a potential subscriber basis as a stand alone operation, this is simply an invitation for economic disaster. Thus, one must fairly conclude that the operating assumption by some Designated Entities that they want the FCC to establish the smallest possible set-aside to ensure their ability to independently own and operate a PCS system is simply not economically feasible. Furthermore, I believe that any PCS system without at least approximately 30 MHz of spectrum will be difficult to finance.

I would also like to advise you that in light of the recent concerns that have been expressed by the FCC staff on the constitutionality of set-asides, we are in the process of preparing an updated constitutional legal Memorandum discussing the constitutionality of set-asides. This Memorandum is being prepared by Arthur England who is the former Chief Justice of the Florida Supreme Court. A copy of the Memorandum will be forwarded to you within the next few days.

In this context, it is critical that the FCC focus on the evaluation of whether or not any bidding credit is economically the functional equivalent of a set-aside. We strongly believe that the answer is no. This belief is supported by the fact that it is overwhelmingly likely that the major telecommunications entities in this country, including MCI, Sprint, and the various Bell operating companies, will overbid the value of the frequencies due to their own strategic needs. Thus, just as we saw in the Paramount acquisition, the real market value and the ultimate acquisition cost will be very significant. While it is true that Paramount represented the last major studio available, it is also true that neither Mr. Diller nor Viacom required Paramount for economical survival. This is not the case when it comes to PCS. Most Bell operating companies and long distance carriers view PCS as critical to the economic survival. Thus, not only will they overbid the fair market value, as was the case in Paramount, but I think it is safe to say that when it comes to survival they will bet the ranch if necessary. Accordingly, it is simply impossible to, at this stage, estimate what a necessary bidding credit will be in order to overcome the anticipated economic survival overbidding. Thus, bidding credits are simply not the functional equivalent of set-asides. As a result, bidding credits cannot fulfill the Congressional mandate to ensure that Designated Entities participate in PCS.

I will call your office today to schedule a meeting at your convenience.

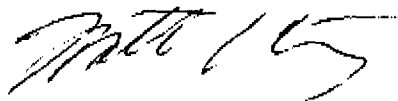
The Honorable Andrew C. Barrett

May 27, 1994

Page Three

Pursuant to FCC rules and regulations, I will file with the Office of the Secretary an appropriate Ex Parte Memorandum of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Matt L", with a stylized flourish extending from the end.

Matthew L. Leibowitz
Counsel for MasTec, Inc.

MLL/mdr

Enclosure

cc: Jorge Mas Canosa, Mas Tec, Inc.

MTA vs BTA Costs						
CDMA 30MHz						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17550000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3		75000				
Year 4						
Year 5	6825000	4650000	225000	525000	75000	1350000
Year 6	4875000	2700000	150000	150000	525000	1350000
Year 7	2775000	1725000	300000	75000	150000	525000
Year 8	4200000	2625000	300000	375000	75000	825000
Year 9	4050000	2625000	225000	450000	75000	675000
Year 10	4200000	2475000	150000	225000	300000	1050000
Eq Total	\$65,975,000	\$38,425,000	\$5,150,000	\$3,875,000	\$4,300,000	\$14,200,000
Site Const	9675000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	182500	315000
Engineering	2580000	1452000	240000	132000	192000	552000
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Total Cost	\$86,980,500	\$50,246,250	\$7,122,000	\$4,960,500	\$5,883,000	\$18,642,000
Operational costs are not included in the above numbers						
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Economic and Management Consultants International, Inc. (EMCI)						

MTA vs STA Costs						
CDMA 20MHz						
	Miami MTA	Miami STA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17550000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3						
Year 4						
Year 5	1200000	1050000	75000			75000
Year 6	1725000	1200000		150000	75000	300000
Year 7	1950000	120000	150000	75000		525000
Year 8	2550000	1650000		375000	75000	450000
Year 9	2775000	1575000	75000		225000	900000
Year 10	1875000	1050000	75000	75000	225000	450000
Eq Total	\$51,125,000	\$28,195,000	\$4,175,000	\$2,750,000	\$3,700,000	\$11,125,000
Site Const	9875000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	588000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
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LEIBOWITZ & ASSOCIATES, P.A.

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May 25, 1994

Via Facsimile and Overnight Delivery

Ms. Karen Brinkmann, Special Assistant
Office of the Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Per our telephone conversation yesterday, I am forwarding you by this letter a generic financial cost analysis of constructing a Personal Communications System (PCS) for Miami. Please note that this cost analysis does not include the price of the acquisition of the frequencies through the auction process or any operating costs. While the analysis was done for the Miami MTA and inclusive BTAs, we believe it is a fair generic representation of most major markets around the country. As you will note, the analysis includes the following variables: a 30 MHz system, 20 MHz systems and 10 MHz systems. In addition thereto, each frequency block is then divided into the Miami MTA and the major BTAs that are included within the MTA (but not all of the BTAs).

The significant conclusion that can be drawn from this analysis is that the cost of construction alone even for the smallest alternative, i.e., a 10 MHz block on the Miami BTA basis is in excess of \$33,000,000. I think it is fair to state that this will exceed the financial capacity of any Designated Entity that is interested in pursuing participation of PCS in Miami. While it is true that the cost for the smaller BTAs are significantly less, such as a system in Fort Pierce which would only cost a little over \$3,000,000, when viewed on a potential subscriber basis as a stand alone operation, this is simply an invitation for economic disaster. Thus, one must fairly conclude that the operating assumption by some Designated Entities that they want the FCC to establish the smallest possible set-aside to ensure their ability to independently own and operate a PCS system is simply not economically feasible. Furthermore, I believe that any PCS system without at least approximately 30 MHz of spectrum will be difficult to finance.

Ms. Karen Brinkmann, Special Assistant

May 25, 1994

Page Two

I would also like to advise you that in light of the recent concerns that have been expressed by the FCC staff on the constitutionality of set-asides, we are in the process of preparing an updated constitutional legal Memorandum discussing the constitutionality of set-asides. This Memorandum is being prepared by Arthur England who is the former Chief Justice of the Florida Supreme Court. A copy of the Memorandum will be forwarded to you within the next few days.

In this context, it is critical that the FCC focus on the evaluation of whether or not any bidding credit is economically the functional equivalent of a set-aside. We strongly believe that the answer is no. This belief is supported by the fact that it is overwhelmingly likely that the major telecommunications entities in this country, including MCI, Sprint, and the various Bell operating companies, will overbid the value of the frequencies due to their own strategic needs. Thus, just as we saw in the Paramount acquisition, the real market value and the ultimate acquisition cost will be very significant. While it is true that Paramount represented the last major studio available, it is also true that neither Mr. Diller nor Viacom required Paramount for economical survival. This is not the case when it comes to PCS. Most Bell operating companies and long distance carriers view PCS as critical to the economic survival. Thus, not only will they overbid the fair market value, as was the case in Paramount, but I think it is safe to say that when it comes to survival they will bet the ranch if necessary. Accordingly, it is simply impossible to, at this stage, estimate what a necessary bidding credit will be in order to overcome the anticipated economic survival overbidding. Thus, bidding credits are simply not the functional equivalent of set-asides. As a result, bidding credits cannot fulfill the Congressional mandate to ensure that Designated Entities participate in PCS.

If you have any questions regarding the economic analysis or the aforementioned arguments, please feel free to call me.

Pursuant to FCC rules and regulations, I will file with the Office of the Secretary an appropriate Ex Parte Memorandum of this letter.

Sincerely yours,



Matthew L. Leibowitz
Counsel for MasTec, Inc.

MLL/mdr

Enclosure

cc: Jorge Mas Canosa, MasTec, Inc.

MTA vs STA Costs						
CDMA						
30MHz						
	Miami MTA	Miami STA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17550000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3		75000				
Year 4						
Year 5	6825000	4850000	225000	525000	75000	1350000
Year 6	4875000	2700000	150000	150000	525000	1350000
Year 7	2775000	1725000	300000	75000	150000	525000
Year 8	4200000	2625000	300000	375000	75000	825000
Year 9	4050000	2625000	225000	450000	75000	675000
Year 10	4200000	2475000	150000	225000	300000	1050000
Eq Total	\$65,975,000	\$38,425,000	\$5,150,000	\$3,875,000	\$4,300,000	\$14,200,000
Site Const	9675000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	182500	315000
Engineering	2580000	1452000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,085,500	\$1,583,000	\$4,442,000
Total Cost	\$86,980,500	\$50,246,250	\$7,122,000	\$4,960,500	\$5,883,000	\$18,642,000
Operational costs are not included in the above numbers						
The above data was obtained from a report "PCS Market Demand and System Engineering"						
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Economic and Management Consultants International, Inc. (EMCI)						

MTA vs BTA Costs						
CDMA 20MHz						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	17350000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3						
Year 4						
Year 5	1200000	1050000	75000			75000
Year 6	1725000	1200000		150000	75000	300000
Year 7	1950000	1200000	150000	75000		525000
Year 8	2550000	1850000		375000	75000	450000
Year 9	2775000	1575000	75000		225000	900000
Year 10	1875000	1050000	75000	75000	225000	450000
Eq Total	\$51,125,000	\$28,195,000	\$4,175,000	\$2,750,000	\$3,700,000	\$11,125,000
Site Const	9675000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
Engineering	2580000	1452000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,085,500	\$1,583,000	\$4,442,000
Total Cost	\$72,130,500	\$40,016,250	\$6,147,000	\$3,835,500	\$5,283,000	\$15,567,000
Operational costs are not included in the above numbers						
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MTA vs BTA Costs						
CDMA						
10MHz						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
Sites	215	121	20	11	16	46
Base	21500000	12100000	2000000	1100000	1600000	4600000
Year 1	16125000	9450000	1800000	975000	1500000	3825000
Year 2						
Year 3						
Year 4						
Year 5						
Year 6						
Year 7						
Year 8						
Year 9						
Year 10						
Eq Total	\$37,625,000	\$21,550,000	\$3,800,000	\$2,075,000	\$3,100,000	\$8,425,000
Site Const	9875000	5445000	900000	495000	720000	2070000
Towers	2840500	1703000	230750	123500	188500	585000
Transmission	4300000	2420000	400000	220000	320000	920000
Shelters	1610000	801250	201250	115000	162500	315000
Engineering	2580000	1462000	240000	132000	192000	552000
Site Total	\$21,005,500	\$11,821,250	\$1,972,000	\$1,085,500	\$1,583,000	\$4,442,000
Total Cost	\$58,630,500	\$33,371,250	\$5,772,000	\$3,160,500	\$4,683,000	\$12,867,000
Operational costs are not included in the above numbers						
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MTA vs BTA Costs						
CDMA						
Subscriber Assumptions						
	Miami MTA	Miami BTA	Ft Myers	Ft Pierce	Naples	West Palm
	30 MHz	20 MHz	20 MHz	20 MHz	20 MHz	20 MHz
		10 MHz	10 MHz	10 MHz	10 MHz	10 MHz
Year 1	4307	1434	147	99	39	433
		598	61	41	18	181
Year 2	10231	3378	358	241	95	1043
		1407	149	101	40	435
Year 3	34303	11225	1230	826	329	3541
		4877	512	344	137	1475
Year 4	69812	22575	2555	1712	658	7275
		9408	1085	714	287	3031
Year 5	126190	40550	4741	3170	1284	13350
		16896	1975	1321	535	5582
Year 6	183460	58405	7054	4705	1922	19843
		24335	2939	1981	801	8185
Year 7	213659	67375	8408	5594	2303	23150
		28073	3503	2331	980	9846
Year 8	240346	75059	9678	6423	2885	28348
		31275	4032	2878	1111	10978
Year 9	264391	81757	10892	7211	3018	29319
		34066	4538	3005	1257	12216
Year 10	290235	88852	12232	8077	3405	32552
		37022	5097	3385	1419	13563

The above data was obtained from a report "PCS Market Demand and System Engineering"
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May 23, 1994

Via Hand Delivery

Commissioner Rachelle Chong
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: PCS Minority Participation

Dear Commissioner Chong:

Congratulations on your first day in office.

I represent Jorge Mas and his company, MasTec, Inc., in the matter of Personal Communications Services (PCS). As you may be aware, and as reported by the Wall Street Journal today, there is great concern regarding how the FCC will implement the Congressional mandate included in subsection 4 (D) of Section 309 (j) to ensure that women and minority owned firms, small business, and rural telephone companies are given an equal opportunity to participate in the PCS bidding process. Specifically, although the FCC initially considered frequency set-asides for the designated entities, it now appears that the FCC staff is concerned regarding the constitutionality of such an approach.

It is our belief that frequency set-asides, installment payments, tax certificates, as well as bidding credits, are legally appropriate and economically necessary in order to ensure participation by the designated entities in this new technology. Anything short of all of these devices, particularly set-asides, would fail to properly and fully implement the provisions of Section 309 (j)(4)(D) of the Communications Act.

I would respectfully request a meeting, as soon as possible, to bring several minority representatives to your Office to discuss these matters. It is our understanding that the Chairman intends to bring this matter up at the June 9th meeting, thus time is of the essence, especially given the sunshining of the matter once the Agenda is published, which I understand will be on